
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Electricity and Gas (Energy
Company Obligation) Order 2023

PART 1

Introduction

Citation, commencement and extent

1.—(1) This Order may be cited as the Electricity and Gas (Energy Company Obligation) Order 2023.

(2) Parts 1 to 9 come into force on the day after the day on which this Order is made.

(3) Part 10 comes into force on the 21st day after the day on which this Order is made.

(4) This Order extends to England and Wales and Scotland.

Interpretation

2.—(1) In this Order, “2022 Order” means the Electricity and Gas (Energy Company Obligation) Order 2022(1).

(2) In Parts 1 to 9—

“2015 Regulations” means the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015(2);

“annual cost savings”, in relation to a measure, means—

(a) the money that would be saved by the measure annually in heating domestic premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas; and

(b) where the measure also results in savings in the cost of heating water, the money that would be saved by the measure annually in heating water in the premises;

“cavity wall insulation” means insulation between the leaves of a cavity wall;

“commencement date” means the date on which Parts 1 to 9 come into force;

“completed”, in relation to a measure, has the meaning given in paragraph (4);

“ECO4A phase” means one of the three phases as follows—

(a) the period beginning with the commencement date and ending with 31st March 2024 (“phase A”);

(b) the twelve months ending with 31st March 2025 (“phase B”);

(c) the twelve months ending with 31st March 2026 (“phase C”);

“ECO4A qualifying action” has the meaning given in article 10;

(1) [S.I. 2022/875](#).

(2) [S.I. 2015/962](#). Amended by [S.I. 2016/660](#), [2019/595](#) and [2022/907](#).

“equivalent ECO4 phase” means—

- (a) in relation to phase A, phase 2;
- (b) in relation to phase B, phase 3;
- (c) in relation to phase C, phase 4,

and for the purposes of this definition, “phase 2”, “phase 3” and “phase 4” have the meanings given in article 2(1) of the 2022 Order;

“flat in-fill measure” means a measure that meets the condition in article 20 (see paragraph (1) of that article);

“group” means a group of companies that includes as members of the group at least two companies that are licence-holders, and for the purpose of this definition—

- (a) “company” includes any body corporate; and
- (b) “group of companies” means a holding company and the wholly-owned subsidiaries of that holding company where “holding company” and “wholly-owned subsidiary” have the same meaning as in section 1159 of the Companies Act 2006(3);

“heating control measure” means—

- (a) a thermostat that is connected to a system which provides heat for the purposes of space heating; or
- (b) a type of control listed in sections 9.4.1 to 9.4.6 of the Standard Assessment Procedure;

“house in-fill measure” means a measure that meets the condition in article 21 (see paragraph (1) of that article);

“in-fill measure” means a flat in-fill measure or a house in-fill measure;

“innovation measure” means a standard innovation measure within the meaning of article 31(5)(f) or a substantial improvement innovation measure within the meaning of article 31(5)(g);

“insulation measure” means a measure which—

- (a) improves the insulating properties of domestic premises;
- (b) in the case of a measure installed at domestic premises other than a mobile home, is one of the following—
 - (i) cavity wall insulation;
 - (ii) solid wall insulation;
 - (iii) internal or external insulation of a wall, but not including cavity wall insulation or solid wall insulation;
 - (iv) loft insulation;
 - (v) insulation of the walls and ceiling of a habitable room in the roof space of the domestic premises;
 - (vi) insulation of a flat roof;
 - (vii) insulation of a pitched roof;
 - (viii) insulation against the escape of heat from a habitable room into the ground, or space, beneath the domestic premises; and
- (c) in the case of a measure installed at a mobile home, is the insulation of the floor, walls and ceiling of the mobile home;

“landlord” has the meaning given in regulation 21(b)(i) of the 2015 Regulations;

“licence-holder” means a person holding one or both of the following—

(a) a licence under section 6(1)(d) of the Electricity Act 1989(4);

(b) a licence under section 7A(1) of the Gas Act 1986(5);

“loft insulation” means insulation against the escape of heat from a habitable room into the loft area of a domestic premises;

“low-income minimum requirement” means, in relation to a participant and subject to article 34 (transfer of obligations), the amount determined under article 6(2) for the participant in respect of an ECO4A phase;

“low-income qualifying action” means an ECO4A qualifying action which is an ECO4A qualifying action by virtue of meeting the condition in any of articles 13 to 19;

“participant”, other than in the definition of “ECO4 participant” in article 4(3), has the meaning given in article 4(1) and (2);

“pre-installation energy efficiency assessment” means an RdSAP assessment performed in accordance with article 22(1)(a)(i);

“pre-installation SAP band” means the SAP band which is determined for a domestic premises pursuant to a pre-installation energy efficiency assessment;

“PRS Exemptions Register” has the meaning given in regulation 36 of the 2015 Regulations;

“qualification year” means—

(a) for phase A, the year 2022;

(b) for phase B, the year 2023;

(c) for phase C, the year 2024;

“RdSAP assessment” means an assessment of the energy efficiency of domestic premises using the Reduced Data Standard Assessment Procedure;

“Reduced Data Standard Assessment Procedure” means the Reduced Data Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.94)(6);

“SAP band” means the band running from A to G which is assigned to a SAP rating under the Reduced Data Standard Assessment Procedure;

“SAP rating” means the energy efficiency rating of a domestic premises determined in accordance with the Reduced Data Standard Assessment Procedure;

“score” means the contribution made by an ECO4A qualifying action towards a participant’s total home-heating cost reduction obligation;

“statement of intent”, in relation to a relevant authority, means a statement that the relevant authority intends to identify households living in domestic premises that may benefit from the installation of an ECO4A eligible measure, and for the purposes of this definition, an “ECO4A eligible measure” is a measure that would be capable of satisfying article 10 if installed at the domestic premises;

“total home-heating cost reduction obligation” means, in relation to a participant, the sum of the participant’s home-heating cost reduction obligations, if any, for each ECO4A phase(7);

(4) Section 6 was substituted by section 30 of the Utilities Act 2000 (c. 27) and amended by section 89(3) of the Energy Act 2004 (c. 20) and S.I. 2011/2704. There are other amendments which are not relevant.

(5) Section 7A was inserted by section 6(1) of the Gas Act 1995 (c. 45) and amended by section 3(2) of, and Schedule 6 to, the Utilities Act 2000. There are other amendments which are not relevant.

(6) Copies can be accessed at https://bregroup.com/wp-content/uploads/2019/09/RdSAP_2012_9.94-20-09-2019.pdf. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Energy Security and Net Zero, 1 Victoria Street, London SW1H 0ET.

(7) See section 33BD(1) of the Gas Act 1986 and section 41B(1) of the Electricity Act 1989 for the definition of “home-heating cost reduction obligation”. Subject to article 34, a participant’s home-heating cost reduction obligation for an ECO4A phase is the amount determined for the participant under article 6(1).

“total low-income minimum requirement” means, in relation to a participant, the sum of the participant’s low-income minimum requirements, if any, for each ECO4A phase.

(3) In Parts 1 to 9, the following expressions have the same meanings as in the 2022 Order—

- “domestic premises”;
- “mobile home”;
- “owner-occupied premises”;
- “private domestic premises”;
- “private rented premises”;
- “qualifying supply”;
- “relevant authority”;
- “social housing”;
- “solid wall insulation”;
- “Standard Assessment Procedure”**(8)**.

(4) For the purposes of Parts 1 to 9—

- (a) a notification or application to the Administrator**(9)** is to be treated as having been made when the notification or application is received by the Administrator;
- (b) a measure is completed when the installation of the measure is completed.

(8) The Government’s Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92). Copies can be accessed at https://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Energy Security and Net Zero, 1 Victoria Street, London SW1H 0ET.

(9) The Administrator is the Gas and Electricity Markets Authority. See sections 33BD(2)(a) and 66 of the Gas Act 1986 and sections 41B(2)(a) and 111 of the Electricity Act 1989.